

The Planning Phase

The planning phase is the next step in the districting process after you have determined that creating a district is possible and beneficial to the community. This is more formal than the assessment phase

of the process. The depth of planning required will depend upon the size of changes you expect. Determine how much planning is necessary for your project. The fewer surprises you experience in the

districting project, the more likely its success. Planning helps eliminate surprises.

The Tasks of the Planning Phase

This is a time of preparation. You will decide what your library district will look like, and you will gather information that will allow the district to be created. Some of this information will be used after the district has been created, but knowing what needs to be done and having plans in advance will make the hectic first few months easier for everyone involved. The group's efforts in the planning phase will culminate in the official actions of the new district's library board during the first few weeks of operation.

A number of tasks need to be accomplished during the planning phase. You do not have to do

these in this order, but you do need to work through the following tasks:

- P1. "Plan to plan." Decide how to do the planning necessary to create and operate a district.
- P2. Plan how to carry out public relations to build support for the districting effort.
- P3. Coordinate your efforts with local government officials who will have responsibilities in creating the new district.
- P4. Plan the library services offered by the new district.
- P5. Begin planning for the administrative structure (board structure and by-laws, etc.) of the new district.

P6. Recommend personnel policies for the new district.

P7. Plan the library facilities for the new district.

P8. Make an accurate estimate of first year and long-range costs for the new district and how the district will handle the cost of its first year operations.

P9. Make final decisions about the geographic area that will be included in the new district.

Task P One: Planning to Plan.

The first step is to make a decision about how you will move ahead. The planning phase can be a very difficult time because it may involve delicate negotiations between boards, staff members, city councils, community organizations, and individuals.

Write down the plan for moving through this phase. It is essential. The plan should identify:

- ◆ What steps will be taken and when
- ◆ Who will be responsible for various roles in the process
- ◆ How information will be gathered
- ◆ How decisions will be made
- ◆ Who will act as spokespersons for the group
- ◆ When meetings will be held

◆ How the process will be evaluated

◆ How and when reality checks will be made

At the end of this section, a checklist of activities is given. Use this checklist as a starting point. [Also refer to *Planning Phase Form A: Plan to Plan* at the end of this section.]

Task P Two: Planning Public Relations.

The importance of public relations cannot be overemphasized. A public relations program is more than just publicity. It involves choosing one or two important messages and then designing a systematic program to carry the message(s) to the public. The way that the message is conveyed is vital. Brochures, newspaper articles, etc. are essential, but it is also important to make many personal contacts.

Library board members must participate in the public relations work for the new district. Board members must show their support for the new district by speaking out to individuals and to groups.

Repetition of the message is vital. Everyone speaking for the districting effort needs to say the same thing. Use the same slogan and graphics repeatedly in brochures and other media, so that the message becomes identifiable in the public mind.

Make the message a part of well attended community events that relate to community pride. Plan to make the districting effort visible at such activities as county fairs, pa-

rades, and other special community events.

Endorsements by both groups and individuals are vital. Groups that work with children, such as 4-H, Girl and Boy Scouts, are likely to endorse efforts to improve library services. Other groups like PTO's, school boards, etc. that emphasize community involvement and education are likely to be supportive. Seek out prominent community leaders for endorsements. Use the list of supportive contacts and groups that you developed in the assessment phase. Some groups may be willing to either pay for advertisements announcing their endorsements, or to write a letter to the editor announcing their support. Develop a schedule for seeking and releasing news of endorsements throughout the districting project.

Assure that public relations are carried out in a systematic and effective way by developing and implementing a public relations plan. Ideally, a public relations professional should do the plan.

Include the following items in the public relations plan:

- Message(s) that will be emphasized in the public relations campaign
- Slogan(s) that will carry the message
- Graphics that will carry the message
- Brochures that will carry the message
- Calendar of events and activities that will carry the message
- Lists of local media outlets, including contact persons that will be informed of districting activities.
- Community organizations that will be contacted
- Methods for soliciting and publicizing endorsements for creating a library district
- Training program for spokespersons (particularly board members) to speak for the districting project

[Refer to *Planning Phase Form B: Public Relations Plan* at the end of this section.]

Task P Three: Coordinating Government Participation.

Keep local government officials informed throughout the process. Educate local officials about their responsibilities and be prepared to negotiate about how the process will be carried out. We will discuss the responsibilities of city and county governments next.

City Government. Working with city councils is important. City council members are opinion leaders in the community, so they must be informed about the districting process. Talk to city council members about the district and how it affects their library. Educate them about

the various options open to them and the advantages and disadvantages of each.

- ♦ *Establishment.* The city council and the new library district must work together to resolve many issues. It is imperative that a city council of an established library

Task P Three: Coordinating Government Participation. (cont.)

be included in the planning process for a district that would like to include that city. If the current city library is funded through the general fund, the city council can decide to reduce property taxes by the amount currently paid for library services if the election passes. The city council can also greatly influence the ease of transition from a city library to a district library. If the city owns the library facility, it must agree to continued use of the library building. The council can also decide to provide transitional funding during the first year of the district's existence. These powers influence the operation of the district during its crucial first year of service.

Keep city councils informed about the process and consider their attitude about the process when deciding whether the city should be included in the proposed district.

Conduct negotiations on the continued use of city library facilities, of transitional funding, and of the reduction of the city budget for the portion used for library services during the planning phase. You can find more information on these negotiations later in this section.

Include sympathetic members of the council or sympathetic city clerks in the group for the district. It is the best way to work with city governments. Doing this assures the council that it will receive accurate information about the group's plans, and it gives the districting effort an informed advocate at city council meetings. If this cannot be

done, work hard to keep the council informed about your work by sending the council the group's meeting reports. Make an effort to report to the city council meetings on a regular basis.

County Government. County government officials carry a great deal of political power and are responsible for carrying out many of the legal activities of the districting process. County commissioners are responsible for receiving the petition for establishment, holding a hearing, carrying out some or all election procedures, and issuing the order that the district is established if the election is successful. After a successful election, county commissioners appoint the first district board.

Include county officials in the group. If they do not have the time or interest to do this, you need to educate them about the process and their role in it.

County commissioners and the county clerk are probably not aware of their responsibilities in this matter. Meet with both the commissioners and the county clerk to discuss the districting process. County officials must understand their legal responsibilities for carrying out and paying for election procedures. Be prepared to work closely with the county attorney. Interpretations of state district law requirements, election requirements, and standard practices of the county commission may differ in some manner from county to county. It is important to discuss and resolve differing legal points of

view to prevent them from becoming roadblocks to the district process.

Begin the education process with the county clerk, since this person will do most of the work. Work hard to keep this relationship and others cordial. Have one or two people develop an on-going relationship with the county clerk. This gives the county clerk a point of contact that s/he can become comfortable with. Approaching the clerk with a larger group of people may make the clerk feel that you are trying to intimidate him/her.

Ask the county clerk for his/her advice, as s/he usually has a great deal of useful information. Be prepared to hear about the county clerk's particular issues with the process, and look for ways to compromise if problems occur.

The election's timing process can cause problems for the county when it holds the election. If proposed district boundaries do not follow voting precinct lines, it can make election procedures more complicated. To solve these problems, try conducting an election when other elections are being held or redraw district boundaries to coincide with precinct boundaries. Give the county time to budget for an election by informing them of the election date as far in advance as possible. Consider compromises if they do not drastically interfere with the districting process.

Once you have worked with the county clerk, schedule a meeting

Task P Three: Coordinating Government Participation. (cont.)

with the county commissioners to explain the process and ask for support. Send written reports to the commissioners and county clerk throughout the process. At strategic times, contact the county clerk and make oral reports at county commissioners' meetings.

The New Board of Trustees.

County commissioners appoint the board for the new district. This gives the commissioners power over the district at the beginning of its existence. Come to some understanding with the commission-

ers about whom should be appointed to the board. Usually the commissioners will be happy to receive suggestions about these appointees. They may even ask you to provide a suggested list for all positions, so have a list available and discuss this issue with the commissioners. If two or more counties are forming a district, then the counties jointly appoint the first board. After the first board members have served their respective terms, board members are elected by the public.

What if the County Commissioners Do Not Favor a Library District?

Consider whether or not to proceed. Commissioners hold a lot of power over the districting process and the first year of operation. If they are openly opposed to the idea, you may want to take the time to work with the commissioners until they are agreeable to the districting project.

Task P Four: Planning Library Services.

Turn the vision developed in the assessment phase into a practical plan for providing specific library services. A different level of planning may be needed for each kind of districting project:

- a) Establishment. Territory that contains no library can be formed into a library district. The new library district sets up its own library and provides services itself. In this case, develop a complete library plan that includes information about services to be provided during the first three to five years and the personnel and facilities that are needed to support those services.
- b) Establishment/Contract Service. Territory that contains no library can be formed into a library district. The new district does not provide services to itself, but contracts with an existing library to provide services to its resi-

dents. The existing library's long range plan will need to be modified to indicate how its contract with the district will affect its services. The new district should develop a plan for evaluating the contract services.

- c) Establishment/Existing Library. Territory that includes one existing city or county library can be formed into a district that serves the city and surrounding territory. The city or county library's plan may be used as a basis for a new long-range plan for the district.
- d) Establishment/City Library Combination. Territory that includes two or more city libraries can be formed into a district that includes untaxed territory that connects the cities together. The existing long-range plans may be used as informa-

tional documents for a new long-range plan. However, a totally new long-range plan will need to be created for the district.

- e) Establishment/County Library Combination. Territory that includes two or more county libraries can be formed into a district. The existing long-range plans may be used as informational documents for a new long-range plan. However, a totally new long-range plan will need to be created for the district.
- f) Establishment/County-City Library Combination. Territory that includes one or more county libraries and one or more city libraries can be formed into a district. The existing long-range plans may be used as informational documents for a new long-range plan. However, a totally new

Task P Four: Planning Library Services. (continued)

long-range plan will need to be created for the district.

There are a number of different models for planning which are available. Some developed for libraries; others are more general. Good models of planning include the following elements:

- ◆ A community description, focusing on community needs.
- ◆ A mission statement.
- ◆ Roles that the library district will fulfill for its community.
- ◆ Goals, broad general targets which the library should achieve.
- ◆ Objectives, by which achievement of goals is measured.
- ◆ General approaches used to accomplish the objectives.
- ◆ Activities that lead to accomplishment of the objectives.
- ◆ An evaluation method for the plan.
- ◆ A plan for updating the plan at least annually.

Contact the Montana State Library for help with planning.

Methods for Planning. The methods that you use for planning depend upon the level of planning that is required. Extensive input from the public should be sought if you are writing a new plan or making major changes to existing library services. Here are ways to gather public input:

- ◆ User surveys. Ask current users about their library use – what they like and what they would like to see changed. This

method reaches out to the most likely supporters of the new district and is relatively easy and cheap to conduct. It has the disadvantage of only reaching current users and will not reach those who might benefit most from a new district.

- ◆ Community surveys. Survey people in the community by mail or telephone about the library and potential services. This method reaches out to the whole community. Asking people about library services helps them understand the possibilities that exist with a district library. The survey also contributes to public relations for the district effort. Its disadvantage is that it is expensive and time-consuming to administer.
- ◆ Focus groups. Bring small groups (8-10 people) together to discuss library services – what they like and what they would like to have from a new district. This method is more personal, and participants are allowed to react in depth. You can target a particular audience, such as parents, community leaders, teenagers, etc. This process is time-consuming to administer and it reaches relatively few people. The results require a good deal of interpretation.
- ◆ Facilitated Community Meetings. Hold a meeting for any person who wishes to discuss the library. Facilitate the meeting, so that every person in attendance has an opportunity to express opinions. Participants

get to hear what other people are thinking and they can express their own opinions. Advertising the meeting contributes to the public relations effort of the districting project. Unfortunately turnout is often low and the information gathered does not necessarily represent a true cross-section of the community.

Use these methods throughout the planning process to gather information about the plan. An intensive planning process contributes to the public relations aspects of the districting effort, since continually asking the public for input about library services offers ownership to those services.

The value of the information gathered from these methods depends on the quality of work that has gone into each of them. Seek professional help in designing surveys. If that is not possible find help at local institutions of higher learning, which may view this kind of surveying as an ideal student project.

Task P Five: Planning Administrative Structures.

Administrative changes in the area of governance, financial management, legal services, library policies, and risk management will occur in the districting process. You should do the groundwork for these policies and procedures, even though the new board will have to finalize the changes. Some of the administrative changes that might occur are:

Name Change. In many cases, a name change will be made through the order of the county commissioners after a successful election. Any change of name should be sent to governmental agencies (such as the Internal Revenue Service, the State Library, etc.) and to major suppliers (such as book and periodical jobbers).

Board Structure. Public library districts can have five or seven members. (See Montana Code Annotated 22-1-702.) The county commission will appoint the first board. If two or more counties combine to create a library district, then the counties jointly appoint the first board. The public elects succeeding boards. You may also wish to develop a district election plan. More information about this can be found at Montana Code Annotated (MCA) 22-1-706.

Financial System. Financial systems that meet generally accepted accounting standards for local governments should be developed. Keep the procedures as simple as possible within this definition. Employ an accountant

(preferably a Certified Public Accountant) to set up the new district's financial procedures. Plan to set up accounts with financial institutions. These accounts must be in accordance with the Local Government Financial Administration and Taxation laws, MCA 7-6-201 thru 7-6-213; 7-6-609 thru 7-6-1116. You may also want to investigate the possibility of placing new district funds in the state's investment pool. More information about this can be found at MCA 17-6-204.

Legal Representation. Consider how you will employ legal counsel. It is important to ask for a legal opinion when establishing new policies and procedures. Normally districts only hire attorneys on an as-needed basis. However, it is useful to find an attorney to work with throughout the districting process.

Library Policies. Develop by-laws for the board. You need policies in the areas of collection development, circulation, hours of operation, emergency procedures, and programming for adults and children. You may also need policies dealing with branch operations, use of meeting rooms and other resources, as applicable. These policies cannot be finalized until a district board is appointed. Voters or petitioners may be interested in how the new district will operate, which is where drafts of your policies can help.

Risk Management and Insurance. Consider errors or omission insurance for the district board, along with liability, theft, fire and damage insurance for the building.

Expected Administrative Changes by Type of Project. The amount of change depends upon the kind of districting project being undertaken. Here are some changes to anticipate:

- a) **Establishment.** Territory that contains no library is formed into a library district. The new district sets up its own library and provides services itself. To do: determine board structure, establish a complete bookkeeping system and establish financial accounts in accordance with MCA 7-6-609 through 7-6-616. Determine whom to employ for legal counsel, when necessary and begin drafting board by-laws and library policies.
- b) **Establishment/Contract Section.** Territory that contains no library is formed into a library district. The new district contracts with an existing library to provide services to its residents. To do: have an attorney examine the contract between the existing library and the new district and draft board by-laws.
- c) **Establishment/Existing Library.** Territory that includes one existing city or county library can be formed into a district that serves the city and surrounding territory. To do: determine board structure, establish a complete bookkeeping system, and establish financial accounts in accordance with MCA 7-6-609 through 7-6-616. Determine how you will employ legal counsel, revise board by-laws and review and modify library poli-

Task P Five: Planning Administrative Structures. (continued)

cies to accommodate the needs of new district customers.

- d) Establishment/City Library Combination. Territory that includes two or more city libraries can be formed into a district that includes untaxed territory that connects the cities together. To do: determine board structure, establish a complete bookkeeping system, and establish financial accounts in accordance with MCA 7-6-609 through 7-6-616. Determine how you will employ legal counsel, revise board by-laws and review and modify library policies to accom-

modate the needs of new district customers.

- e) Establishment/County Library Combination. Territory that includes two or more county libraries can be formed into a district. To do: determine board structure, establish a complete bookkeeping system, and establish financial accounts in accordance with MCA 7-6-609 through 7-6-616. Determine how you will employ legal counsel, revise board by-laws and review and modify library policies to accommodate the needs of new district customers.

- f) Establishment/County-City Library Combination. Territory that includes one or more county libraries and one or more city libraries can be formed into a district. To do: determine board structure, establish a complete bookkeeping system, and establish financial accounts in accordance with MCA 7-6-609 through 7-6-616. Determine how you will employ legal counsel, revise board by-laws and review and modify library policies to accommodate the needs of new district customers.

Task P Six: Planning Personnel Issues.

This is one of the most important areas of decision-making.

Changes in personnel policies range from none to completely new policies. Here are the different kinds of changes that can occur.

Little or No Change. This occurs in the following instances:

- ◆ When all libraries in the new district were already operating under the same administrative unity.
- ◆ When the new district does not operate a library, but contracts with an existing library for services.

In these cases, all the district's personnel are employed under a previously established library or

administrative structure. Salaries and benefits remain the same. If the name doesn't change, then no further work is needed.

If the name is changed, then the new name will need to be reported to federal and state income tax agencies, the state insurance fund for workers compensation, and the state department of employment for unemployment insurance coverage. Insurance and other companies providing personnel benefits will need to be notified of the legal name change.

Creating a New Personnel System. This occurs:

- ◆ When a new district is established where no library existed before, and the district will operate its own library.

Consider a salary structure by checking with other libraries in the area to see what they are paying for particular jobs. Look at similar jobs in your community, as you will be competing with other community employers for employees.

Establish the following required accounts:

- ◆ Federal income tax accounts
- ◆ State income tax accounts
- ◆ Social security
- ◆ Workers compensation
- ◆ Unemployment insurance

Examine the following as possible benefits:

- ◆ Health insurance
- ◆ Life insurance

Task P Six: Planning Personnel Issues. (continued)

- ◆ Retirement usually through the Public Employee Retirement Administration (PERA)

Final decisions will be made by the new board, based upon recommendations of the group.

Transfer from a City/County to a District Personnel System. This occurs:

When a city or county library becomes a district library.

Establish the following required accounts:

- ◆ Federal income tax accounts
- ◆ State income tax accounts
- ◆ Social security
- ◆ Workers compensation
- ◆ Unemployment insurance

Examine the following as possible benefits:

- ◆ Health insurance
- ◆ Life insurance
- ◆ Retirement usually through the Public Employee Retirement Administration (PERA)

You must reach agreements with the city or county about transferring employees from city or county to district payroll. Avoid confusion by having a written memorandum of agreement with the city or county. [*Planning Phase Form C: Sample Memorandum of Agreement with City* at the end of this section.]

Combining Personnel Policies.

This occurs:

- ◆ When two or more existing libraries that have not shared a common administrative structure combine or consolidate.

Decide what personnel policies to recommend to the new district board. Develop a plan for integrating various staffs of existing libraries into one staff for a new district. Negotiate this before attempting to legally create the district.

Changes in personnel can involve very delicate negotiations. Staff members who once worked as library directors will have to work under the supervision of a district library director. The combination of a number of libraries may mean that some employees may lose benefits, because a district library may not be able to afford insurance.

Examine potential loss of autonomy and benefits of personnel at each of the libraries that are thinking of joining the district. The prospect of losing autonomy or benefits may cause employees to oppose the districting effort, thereby endangering the process. Remember current staff will be understandably concerned about changes planned for library service for now and the future. Make every effort to insure minimal changes to employees but keep in mind the goals of the changes.

Compare what the “member” libraries of the new district provide for salary and benefit packages to determine what salary and benefits should be offered in the new district. [See *Planning Phase Form D:*

Personnel Comparisons at the end of this section.]

Begin the administrative work necessary to transfer income tax accounts, social security, workers compensation, unemployment, and other accounts as necessary.

Only the new district board will be able to finalize any of these policies. The group makes recommendations to the board.

General Information on Personnel Administration and Benefits. It is not possible to cover all aspects of personnel administration for a new district, but the following might be useful:

Federal Income Tax, Social Security and Medicare. Register as an employer with the Internal Revenue Service and file W-4 forms for all employees. Upon doing so, you will receive a federal tax number and deposit coupon book. Payments for federal income tax withholding, social security and Medicare are made using this book. For your convenience, you can apply for a Federal Identification Number by registering with the State of Montana. To do so call 1-800-550-1513 or write to Employment Information Center at P.O. Box 1728 Helena, MT 59620-1728. You can also contact the regional Internal Revenue Service Office at 1-800-829-1040.

The new district will need to fill out and keep on file “Employment Eligibility Verification: (I-9 Form) forms for the Department of Immigration and Naturalization. These

Task P Six: Planning Personnel Issues. (continued)

forms are available by calling 1-800-375-5283 or you can download them from the Department's website at <http://www.ins.usdoj.gov/graphics/formsfee/forms/index.htm>.

State Income Tax. Register as an employer with the State of Montana Department of Revenue. Upon doing so, you will receive a state income tax number. Call 1-800-550-1513 or write to Employment Information Center, P.O. Box 1728, Helena, MT 59620-1728 for more information.

Worker's Compensation. Register as an employer with the Department of Labor and Industry and begin paying for worker's compen-

sation. For more information contact the Department at 1-800-332-6102 or (406) 444-6541. The Department of Labor and Industry will work with you on determining the amount to be paid for worker's compensation.

Unemployment Insurance. Purchase unemployment insurance. For information about purchasing unemployment insurance, contact the Unemployment Insurance Division of the Department of Labor and Industry. The address is Montana Unemployment Insurance Fund, P.O. Box 1728, Helena, MT 59420-1728. Or you can contact them by phone at (406) 444-3783.

Optional Benefits.

Public Employees Retirement Administration (PERA). PERA is the retirement program for Montana state employees. Local government entities can also become members of PERA. You are not required to participate, but if you wish to look at this option contact the Montana Public Employee Retirement Administration at (406) 444-3154 or 1-877-ASK-PERB (1-877-275-7372).

Health Insurance. Contact the county clerk for ideas on how to obtain health and/or life insurance. The district may be unable to pay for these benefits on its own. Consider partnering with another entity to obtain these benefits.

Task P Seven: Planning for Facilities.

Planning for facilities depends upon what kind of districting project is being contemplated. Planning for facilities falls into two categories: obtaining a new facility or securing the present library facility.

- ♦ *New Facilities.* Will the new district need a new facility? This could be the case in a district where there is no existing library, there is a need for a branch, or the current facility is inadequate.
- ♦ *Existing Facilities.* Services can be provided out of facilities that are already being used as libraries. The group must negotiate with the city/county to secure the library building. Local governments may turn a build-

ing over to the new district. If not, the district may have to purchase the building, work out rental agreements, or find another facility. If the library is part of a local government building, the group should negotiate with the city or county about rent and utilities. These negotiations must be completed before the creation of the district, so that voters will know what the cost of the district is likely to be.

When an agreement is reached on how facilities will be transferred, a memorandum of agreement should be written with the city or county to clarify the terms of transfer, purchase or rental. [Refer to *Planning Phase Form C: Sample Memorandum of Agreement with City* at the

end of this section.]

NOTE: Cities or counties may be willing to let a new district library stay in the old library building, while the city maintains ownership and continues to pay the utilities. This seems like a good arrangement, but you may be opening yourself up to a number of problems. Taxpayers may complain about being double taxed for the library, since they are paying district, and city or county taxes. Another possible problem is a new administration may want the district to pay rent and utilities which would lead to unexpected budget demands.

Task P Seven: Planning for Facilities. (continued)

Other Facility Expenses. Consider insurance, utility costs, maintenance and repair costs when making decisions about facilities. Seek out local opinions about the current

structure. Is it sound? Is the flooring support in accord with the building codes that apply to book shelving? What is a typical utility bill? Are there any special prob-

lems? Answer these questions before making a decision about new facilities.

Task P Eight: Determining Costs and Levy.

Determine the cost of the new district. Because you are working on plans for personnel and facilities, you should be able to make a much more accurate estimate of first year and long term costs for the new district. Montana property tax laws determine maximums that can be levied each year. **Tax laws are complicated, so contact your city clerk or recorder for help.**

Estimating the Budget for a New District. Prepare a draft first year operational budget for the new district. Estimate the costs of services and then the amount you expect to collect from non-levy sources. Non-levy income sources include gifts, fines, fees, rental payments, etc.

First Year Operations. The district will not receive money from a levy until well into the first year, so you need to plan for how you will pay for the first year.

How can the new district cope with this problem?

Continued City/County Support.

Cities/Counties are sometimes willing to continue funding the library until tax dollars are collected for district library services. Discuss this possibility with the local government. If the city or county accepts the idea, develop a memorandum of agreement. [Refer to *Planning Phase Form*

C: Sample Memorandum of Agreement with City at the end of this section.]

Current Levy. Property owners during the transition year will continue to pay current levy, which the library should receive. The old levy will be replaced by the district levy.

Other Issues:

Non-payment of Taxes. Consider the problem of non-payment of taxes when determining the levy for the new district. Find out from your county clerk, what amount is normally collected in your area. Use this figure to determine how much you will need to levy to cover your operations. For example, if 90% of the amount levied is collected, the new district's levy should be 10% higher than what is actually needed, so that what is collected will meet the needs of the library. Remember you can only do this up to the legal levy limit. Please refer to MCA 15-10-420 for more information about levies.

Cash Reserve. The new district will need to have a cash reserve. The fiscal year for a district runs from July 1 to June 30. Because tax dollars come in at various times in the year local government entities are expected to carry a cash reserve to meet their obligations. Be sure and build this cash reserve

into your operational expenses. For more information about cash reserves, contact the Montana State Library or refer to MCA 22-1-707.

Tax Increase Limitations. Current law limits the annual increase in taxes for taxing districts. The maximum increase is based on the inflation average of three years. Taxing entities can only increase the taxes by half that average inflation rate. The first year budget is the base budget, so it is best to guess high on expenses. Once the base budget is set, it will not be easy to change.

Financial Planning and Public Relations. Public financing is complicated and difficult for the public to fully understand. The group needs to create a plan for financing the district for at least the first five years of the district's life. Describe what a typical taxpayer will pay in each year of the plan. Figure out the taxes that would be assessed on houses with a taxable value of \$50,000 and \$100,000, a farm worth \$100,000, and a business with a value of \$200,000.

Someone in the group should acquire a more in-depth understanding of how taxes and tax rates are figured. The County Assessor can help him/her learn more about tax exemptions and other tax informa-

Task P Eight: Determining Costs and Levy. (continued)

tion when figuring out actual tax charges. This person can then discuss the tax implications of library districting.

NOTE: If a taxpayer wants to know how much the district will raise his/her taxes, the taxpayer should speak with the County Assessor or an individual working for the county who can calculate the figures.

Prepare a fact sheet showing the expected operational levy for each year under the plan. Explain the factors outlined above in the fact sheet. Anyone speaking for the district should understand the financial plan for the first five years. Be prepared to speak about it.

Discuss costs and services together, so the community understands the relationship between the two. Estimate replacement costs (what would it cost an individual to obtain the service if the library district did not provide it) to

highlight the potential savings a district might render.

Accompany the fact sheet on levy rates and typical tax charges with a sheet showing the typical cost of a book in a bookstore, a trip to the closest library to borrow a book, the cost of magazine subscriptions, the cost of purchasing a talking book tape, the cost of video rentals, the cost of access to electronic databases, and other information sources.

Anticipated Cash Flow. Chart the district's anticipated cash flow for the years of the districting project. Use this chart to show when you expect income and what kind of income to become available. Use it to identify grant application and other deadlines that are important for obtaining income.

Decreasing City/County Levies. Because the district will be taking over city and/or county obligations to run the library, the city and/or

county budget should probably decrease when the first district levy is budgeted. This will happen if the county/city levies a separate library levy. This levy will be replaced by the library district levy. If the county or city uses general fund dollars to pay for current library services, they have the ability to reduce the property taxes. Many voters are skeptical that the city and/or county will decrease taxes when the district begins providing its library services. Negotiate this issue with city councils and/or county commissioners. Statements from city and/or county officials indicating that they will remove or plan to remove library taxes and not merely shift them to other budget categories are necessary.

NOTE: Although the group can put together a plan for district finances, only the new district board will have the power to implement the plan.

Task P Nine: Final Districting Decisions

During the Assessment Phase, a preliminary description of the new district was made. It may have become obvious during the Planning Phase that the description needs to be modified. Determine the final boundaries of the district

with a reality check of the politics of the situation. Look at a smaller district, if a larger one simply isn't feasible. You must use your own assessment of the situation to make these decisions. Other territory can be added later.

Once you have determined your boundaries work with the county attorney to describe the boundaries using accepted legal terms.

Planning Phase: Checklist

- ☐ Written “plan to plan”
- ☐ Written public relations plan
- ☐ Met with local government to explain the district project and their role
- ☐ Met with county commissioners to discuss the districting process and their role
- ☐ Developed a plan for district services, including roles, mission statement, goals, objectives, and activities
- ☐ Plan for governance of the district library
- ☐ Plan for developing or transferring the financial books of the new library district
- ☐ Plan for setting up financial accounts for the new district
- ☐ Plan for obtaining legal counsel for the new library district
- ☐ Drafted tentative by-laws for the new library district board
- ☐ Written tentative policies for the new library district
- ☐ Investigated the cost of maintaining all current personnel benefits
- ☐ Learned about workers compensation and unemployment insurance costs
- ☐ Obtained federal and state income tax forms for employers
- ☐ Written tentative personnel policies including proposed salaries and benefits
- ☐ Written agreements with local government about the use of current building(s)
- ☐ If necessary, obtained facilities for the first year of operation
- ☐ If necessary, planned for obtaining new district library building(s)
- ☐ Developed a first year budget for the district
- ☐ Developed a plan for financing the first year of operations for the new district
- ☐ Have a five year levy projection
- ☐ Developed a fact sheet on the levy and the value of services
- ☐ Made final decision on the new library district service area

Planning Phase Form A: Plan to Plan

Date	Activity	Who?
	Plan to Plan	
	Public Relations Plan	
	District Plan	
	Administrative Procedures	
	Personnel Policies	
	Facilities	
	Financial Plan	
	Service Area	
	Election	
Regular Meeting Date:		
Reality Check Dates:		
Decision Making Procedure:		
Spokespeople:		

Planning Phase Form A: Plan to Plan (continued)

Committees

Committee: _____ **Chairperson/Telephone:** _____

Public Relations _____

Members: _____

Administration _____

Members: _____

Planning _____

Members _____

Personnel _____

Members: _____

Facilities _____

Members: _____

Finances _____

Members: _____

Election _____

Members: _____

Planning Phase Form B: Public Relations Plan

This message: _____

Slogans(s):

1. _____
2. _____

Description of Graphics (attach when drawn)

Media Outlets:

Name	Address	Telephone	Contact Person
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Training Program for spokespersons (particularly board members):

Date	Presenter	Board Members Present
_____	_____	_____
_____	_____	_____
_____	_____	_____

Planning Phase Form B: Public Relations Plan (cont.)

Community Organizations:

Name	Contact Person	Telephone	Presentation Date
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[illegible]

Endorsements:

Person/Organization	Date of Announcement	Media Outlets
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Planning Phase Form B: Public Relations Plan (cont.)

Calendar of Events and Activities:

[illegible]

Planning Phase Form C: Sample Memorandum of Agreement with City*

Memorandum of the Understanding Between
the City of _____ and
the _____ Public Library Board of Trustees

The City Council of the City of _____ does hereby state that upon the establishment of the _____ Public Library District it intends to proceed as follows, contingent upon the agreement of the Board of Trustees of the _____ Public Library District.

Name Change. Under the order made by the County Commissioners of _____ County on [date], declaring the _____ Public Library District established, the heretofore entity known as the _____ Public Library will be known as the _____ Public Library District.

Board of Trustees. Upon the establishment of the _____ Public Library District, the Board of Trustees of the _____ will be disbanded. The first Board of Trustees of the _____ will be appointed by the County Commissioners of the following county or counties _____.

Staff. The _____ Public Library staff will be transferred for employment by the _____ Public Library District as of [date].

Staff Benefits. Upon transfer of the staff of the _____ Public Library to the _____ Public Library District, the _____ Public Library District will assume payment of all premiums for personnel benefits, according to the written personnel policy of the _____ Public Library District.

Property. Option 1. Lease: The City/County of _____ will lease the library building and the land upon which it is located for \$_____ per year to the _____ Public Library District, beginning [date]. Personal property and financial assets will be transferred to the _____ Public Library District upon its establishment.

Planning Phase Form C: Sample Memorandum of Agreement with City* (cont.)

Option 2. Sale: The City/County of _____ will sell the library building and the land upon which it is located for a sum of \$_____ to the _____ Public Library District on [date]. Personal property and financial assets will be transferred to the _____ Public Library District upon its establishment. Board of Trustees.

Option 3. Transfer: The City/County of _____ will transfer the library building, the land upon which it is located, personal property and financial assets to the _____ Public Library District upon its establishment.

Bookkeeping. The _____ Public Library District will assume all bookkeeping responsibility for its funds as of [date].

Useable Fund Balance. The City/County of _____ will make a payment to the _____ Public Library District in [month] and again after the finalization of the audit for [year] of any funds left in the city library account.

Revenues. Option 1: The City/County of _____ agrees to support the library with a budget of \$_____ during the first year of operation of the _____ Public Library District (that year during which the _____ Public Library District cannot make a levy because it is not yet on the tax rolls).

Option 2: The City/County of _____ agrees to support the library with a property tax levy of _____ during the first year of operation of the _____ Public Library District (that year during which the _____ Public Library District cannot make a levy because it is not yet on the tax rolls).

Revenues received by the City/County of _____ for library services (including budgeted funds and donations) through [date] will be paid to the _____ Public Library District monthly. Back taxes having been levied for the library will be paid as received by the city.

*Additional terms could include specifying which entity will assume responsibility for risk management, liability, insurance, etc.

Planning Phase Form D: Personnel Comparisons

For Category I: Directors

Library	Salary	FICA	Retirement	Health	Life	Other	TOTAL

For Category II: _____

Library	Salary	FICA	Retirement	Health	Life	Other	TOTAL

For Category III: _____

Library	Salary	FICA	Retirement	Health	Life	Other	TOTAL

For Category IV: _____

Library Name	Salary	FICA	Retirement	Health Insurance	Life Insurance	Other	TOTAL

Planning Phase Form D: Personnel Comparisons (cont.)

<p>Instructions: Use as many categories as necessary. Sample categories might be: Other “Professional” Positions, Clerical, Children’s Librarians, Pages/Shelvers, Part-Time Employees, etc. [These are just samples; you do not have to use them.]</p>	<p>Categorize all positions within the participating libraries. For example, if you are using ‘Other “Professional” Positions’, you might put all assistant directors, children’s librarians, technical service libraries, and reference librarian positions in that category.</p>	<p>Figure the salary for the actual annual hours worked for each position in the category. If more than one position in a category exists in a library, use the average annual salary and benefits for those positions.</p>
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